



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Presentation by Northern California Power Agency titled "The Strength of Joint Action: Charting a Course for a Reliable and Clean Energy Future"

MEETING DATE: October 4, 2006

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: That Council receive a presentation titled "The Strength of Joint Action: Charting a Course for a Reliable and Clean Energy Future".

BACKGROUND INFORMATION: NCPA is a not-for-profit public agency whose primary purpose is to assist its members in managing joint power supply assets in an efficient and cost effective manner. The City of Lodi is a founding member of the Northern California Power Agency (NCPA).

The City recently received a request from NCPA to make a short presentation to the City Council. The intent of the presentation is to provide background information regarding NCPA and its general activities conducted for the benefit of its member agencies. NCPA hopes to make this presentation to the governing bodies of all of its members in the near future.

NCPA's presentation is titled "*The Strength of Joint Action: Charting a Course for a Reliable and Clean Energy Future*". It is expected that Mr. Jim Pope, NCPA General Manager, will be available to make the presentation.

FISCAL IMPACT: Not Applicable.


George Morrow
Electric Utility Director

APPROVED: 
Blair King, City Manager

The Strength of Joint Action: Charting a Course for a Reliable and Clean Energy Future



Northern California Power Agency
James H. Pope, General Manager
October, 2006

This Presentation

- What is NCPA?
- The Facilities We Operate
- The Resources We Provide
- The Representation You Need
- The Importance of Your Involvement

NCPA Membership – Large and Small



NCPA - Then and Now

1940s – 1950s

Private utilities attempt to impose dramatic rate increases on Northern California public power systems. Northern California Municipal Electric Association formed to coordinate municipal challenges to exorbitant rates.

1960s

Challenges escalate. NCPA formed in 1968 to provide representation and services for member utilities that are designed to enhance our ability to meet the power supply of our members.

1970s - 1980s

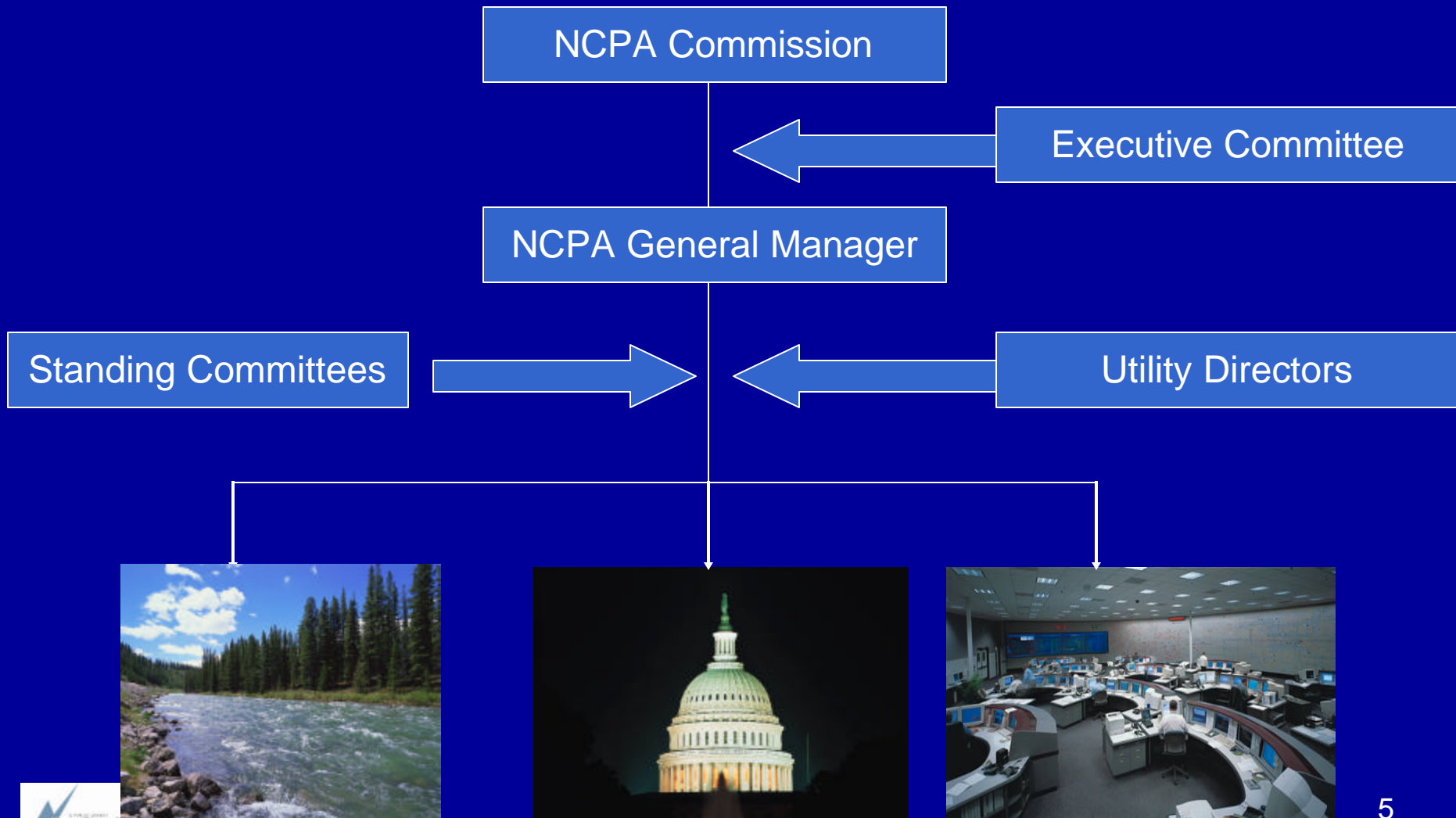
NCPA plans and develops own resources to better serve member power needs. Geothermal, hydroelectric, and combustion turbine plants are constructed, about 650 megawatts in total.

1990s - Today

NCPA addresses challenges of electric industry restructuring, including increased complexity of planning and challenges to local control.



Our Structure and Role



The Value of NCPA's Functions

Power Management

- Ensures reliability and stability
- Creates opportunities
- Provides savings

Power Generation

- Proactive asset management
- Resource optimization
- Savings for plant owners
- Ensures reliable capacity

Legislative & Regulatory

- Credible solution-oriented leader in policy debates
- Preserves local control
- Represents needs of consumers
- Protects agency assets

Administrative Services

- Manage significant industry complexity for members
- Optimize debt service and ratings

The Importance of Joint Action

- Savings and Economies of Scale
- Strengthened Political Influence
- Shared Expertise and Innovation
- Best Practices
- Shaping the Future



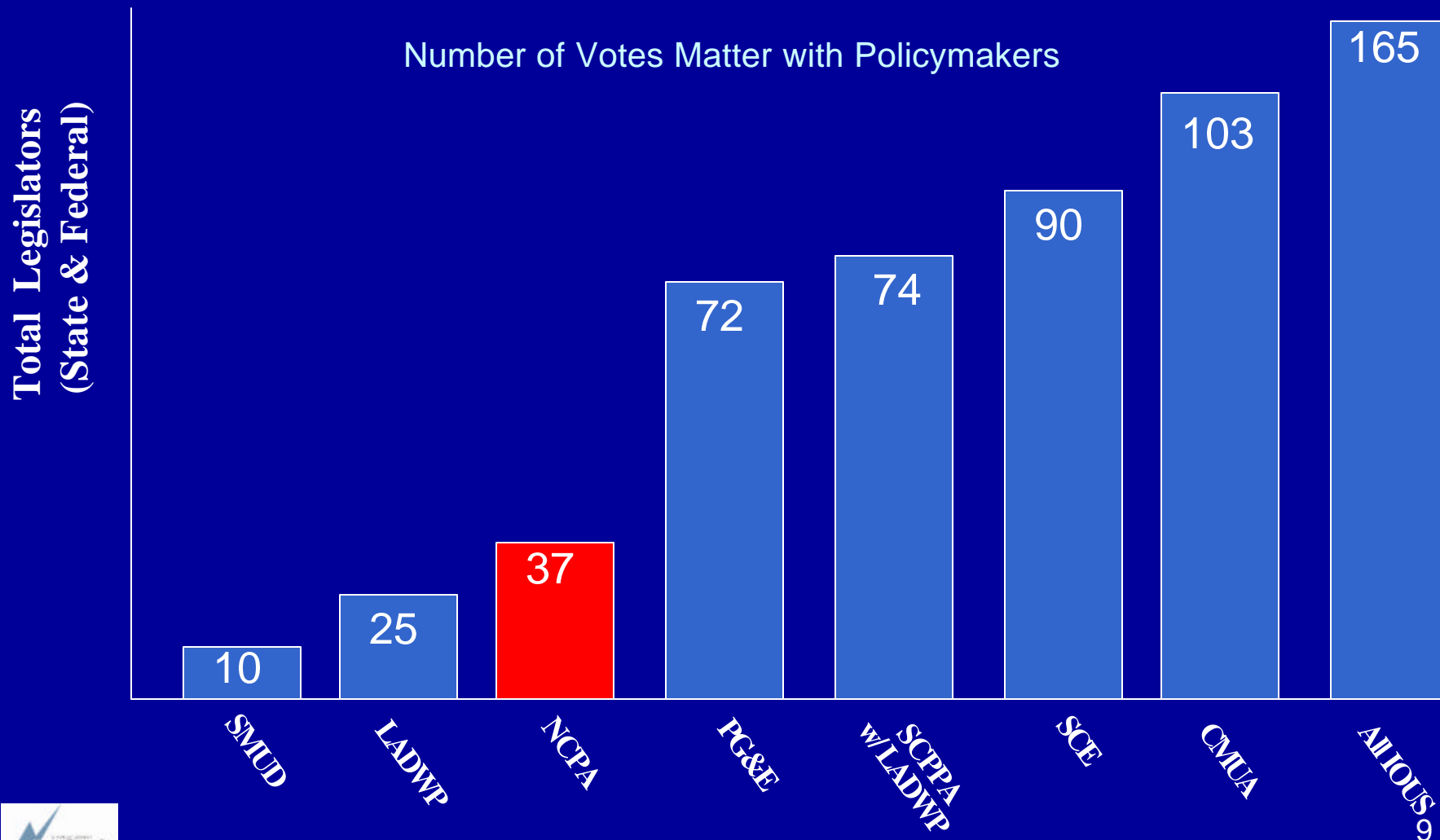
What Value Does NCPA Provide?

- Create economies of scale
- Protect local control
- Offer cost-based services vs. market
- Market expertise
- Foster opportunities

Resulting in:

- Lower energy costs & lower rates for your customers
- Preserve *Contribution in Lieu of Taxes* for your citizens

Joint Action Delivers Political Influence



Note: Some legislators counted more than once

The NCPA Policy Agenda

Environmental Stewardship

- Energy Efficiency
- Solar Initiative
- Emissions
- Renewables



Cost Control

- Preventing undue cost shifts (State/Federal)
- Transmission
- Market Reform
- Reliability



NCPA Grassroots Advocacy Brings Results

Elected officials are public power's
best ambassadors.

Annual Legislative Events

CMUA Capitol Day
APPA Winter Rally
NCPA-NWPPA Federal Policy
Conference
State Legislative Staff Tour
Grassroots Delegations

Tools Available to NCPA Commissioners

Advocacy Training
Issue Briefings
Detailed Analysis
Strategic Updates

NCPA Resource Mix

96%
Emission
Free

Hydroelectric

Geothermal

Combustion
Turbines

Purchases

Western

New Projects

Geyzers Geothermal Project Plants 1 and 2

Project Completed - Plant 1: 1983
Plant 2: 1986

Capacity: 220 MW



Combustion Turbine Projects

Project Completed - #1: 1985
#2: 1996



Turbine #1: Five 24.8 MW units
(Alameda, Lodi, Roseville)



Turbine #2: One 49.9 MW unit
(Lodi)

North Fork Stanislaus River Hydroelectric Project

Project Completed - 1989

Capacity: 257 MW



Spicer Power House



McKays Point



Collierville Power House

Federal Power is an Important Component of the NCPA Portfolio

- Members receive power from federal hydropower facilities operated by U.S. Bureau of Reclamation and marketed by the Western Area Power Administration.
- Federal power helps keep rates low.



Meeting Future Needs for Green and Clean Reliable Generation

- Green Project
- Landfill Gas
- Geo Wind
- New Lodi
- Oakland Airport
- Station C
- Sutter

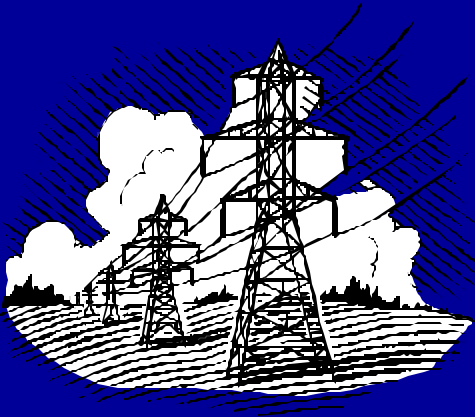
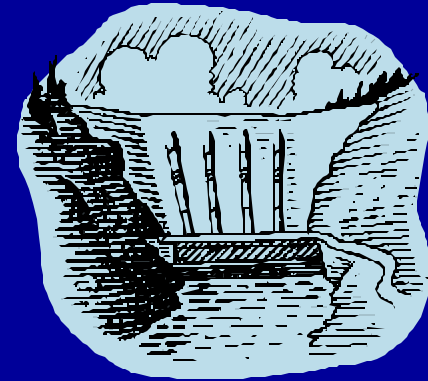


- High Sierra Cogeneration
- Distributed Generation
- Plumas Sierra Wind
- MSR Wind
- Butte County Combined Cycle



Annual Budget Primary Components

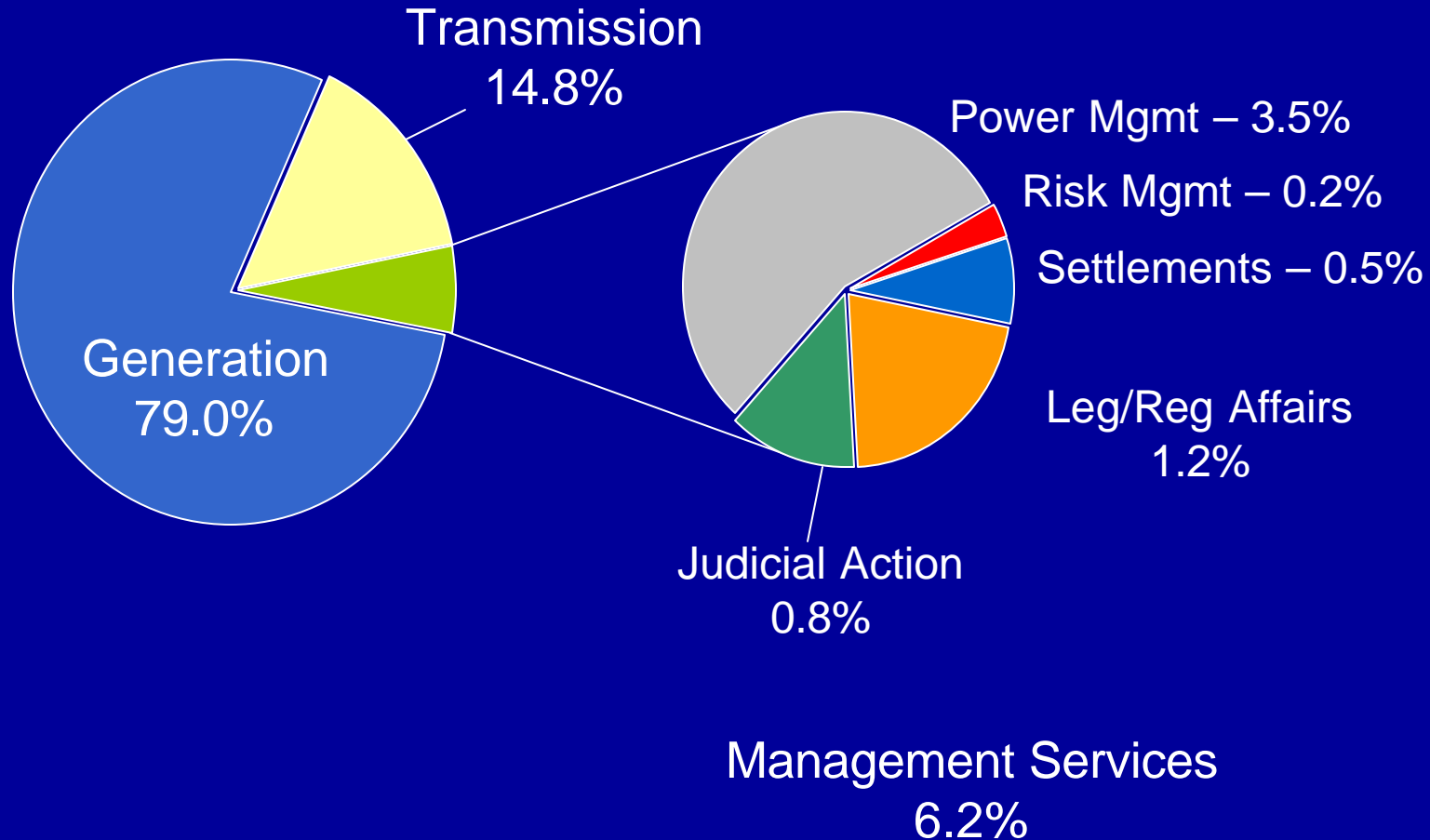
- Generation Resources
 - 4 different generation projects
- Transmission
 - Transmission projects
 - CAISO charges
- Management Services



Current NCPA Budget

Fiscal Year Ending June 30, 2007

\$296.9 Million



How Does Lodi Participate?



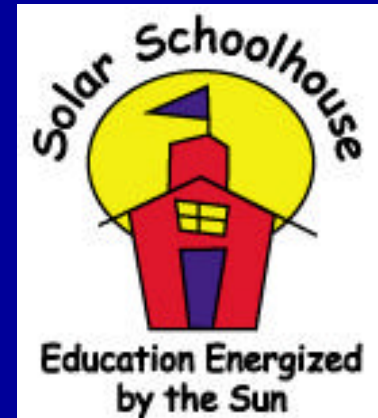
Hydro Project	10.37%
Geysers Geothermal	10.17%
CT Project # 1	34.8%
CT Project #2	39.5%

- Part of NCPA Power Pool
- Active participant in Legislative Activities
- Council representation on NCPA Commission
- Staff participation on committees



Innovative Energy Programs

- **Lodi Solar Schoolhouse Program:**
Provides mini-grants to Lodi educators, as well as funds the annual Lodi Solar Schoolhouse Olympics
- **Lodi LivingWise Program:**
Provides energy conservation kits to 6th grade students in Lodi
- **HVAC System Performance Test:**
A California first! State-of-the-art computer diagnostics are used to test and analyze a home's heating/air conditioning system



NCPA's Success Depends on You



Operate Generation, Manage Portfolios, and Shape Policy Agenda.

Your participation is key to promoting local interests and ensuring local control.



NCPA supports your commitments to consumer interests, enhanced reliability, and environmental innovation.

Upcoming NCPA Events

You are invited to:

- Participate in NCPA events
- Learn more about the energy industry, and how it directly impacts your community

CMUA Capitol Day - January

APPA Winter Rally - March

NCPA-NWPPA Federal Policy Conference - April

State Legislative Staff Tour - October

Grassroots Delegations - Various



Thank You

Questions?



Fads come and go...
but values are forever.

Lodi Electric has focused on green energy and our environment long before it became fashionable, and will continue even after today's hot issues have faded. Why? Because it has always been important to you, and that is important to us.

Lodi Electric working hard to ensure that green energy never goes the way of the lava lamp.

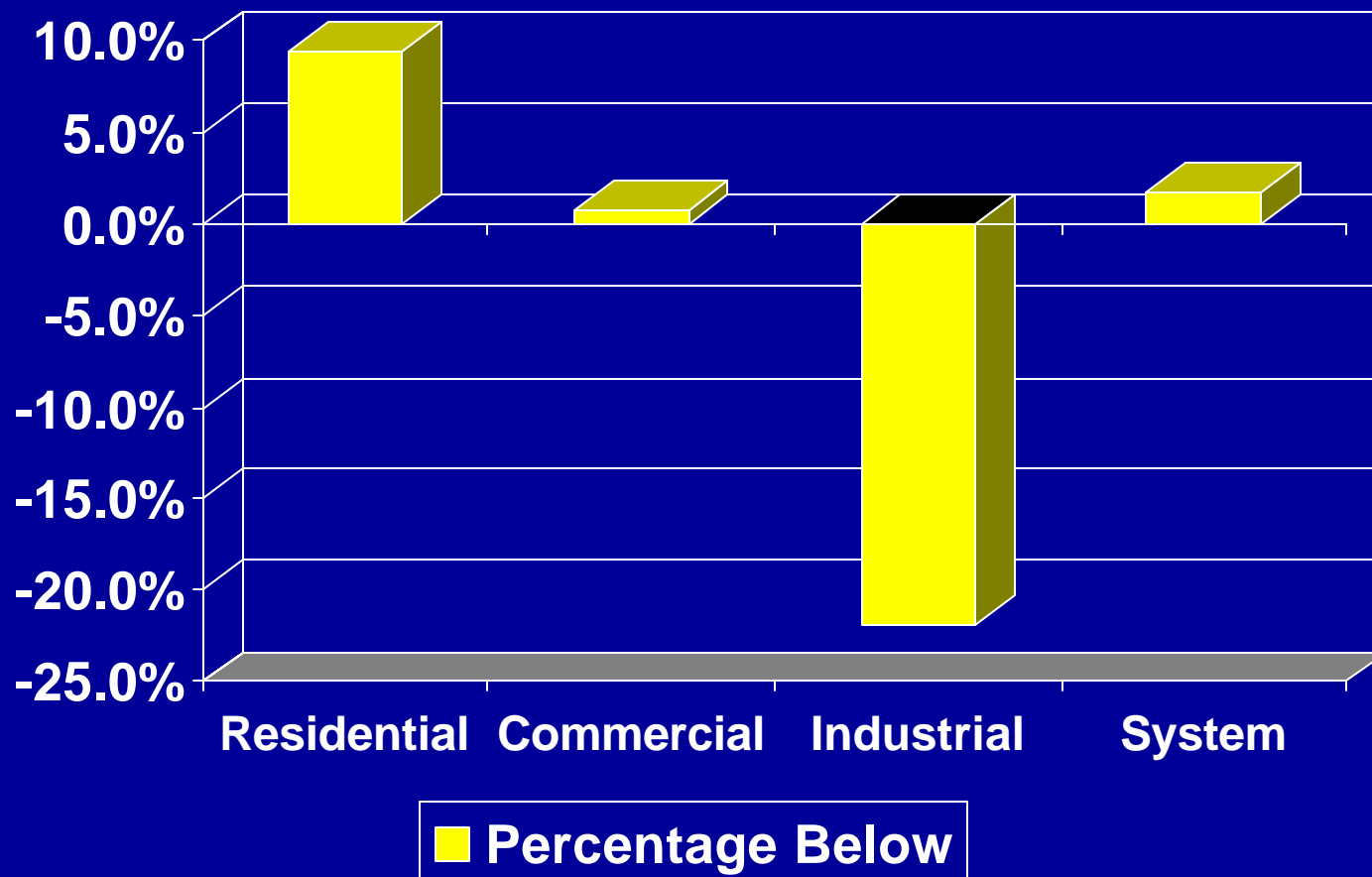


Thank you

Questions?

Lodi Rates Compared to PG&E

March 2006 Study



How Do We Meet Our Future Needs for “*Green and Clean*” Generation?

- **THE ANSWER....NGPP!**
 - “The NCPA Green Power Project”
- **NGPP is a Pool of Green Renewable Projects and is designed to:**
 - Lower your risk profile (a share of many projects)
 - Allows you to claim credit with a more diverse group of projects
 - A rich and diverse blend of technologies
 - Cost Control...Blended Price is Capped!
 - Over 78 MW pool of projects.

